

Tax Bulletin

Missouri Department of Revenue

Volume 9, No. 3

Fall/Winter 2000

Directly Speaking . . .



The last year has brought continuing change to the Department of Revenue, and I hope significant improvement. We designed these changes to simplify our operations, improve customer service and increase voluntary compliance.

One of the biggest challenges for our taxation units involved reorganization. Essentially we created entire "businesses" to administer each different tax. This ensures that for each tax, someone is accountable for the entire tax process from forms, to



processing and account resolution. This also ensures that a taxpayer has one point of contact. In addition, it gives us the flexibility to shift staff within a tax unit as the demands shift. For example, in income tax it allows us to shift account resolution staff to processing staff in April and then back for the rest of the year. The bottom line is increased accountability, flexibility and greater customer service.

In an effort to make it easier for businesses and individuals to comply with tax laws and increase voluntary compliance, the division has made some other changes to the way we do business.

- 1) We are increasing public and business education on tax laws and rules. A Taxpayer Education Group (see page 16 for more information) was created to keep industries abreast of changing tax laws and regulations. We also co-sponsored the first Missouri Tax Conference in an attempt to keep people informed regarding tax structure, tax policy and trends that we see in taxation.
- 2) We have increased the number of people available to provide field and phone support to assist taxpayers with any questions they may have regarding their tax returns.
- 3) Auditors are working with new businesses to help set up their books to avoid errors and audits.
- 4) We have proposed 33 new rules and rescinded 107 existing rules for simplicity and consistency.

We also begun exploring new ways to simplify sales and use taxes in the state. We have partnered with 38 other states in the Multistate Tax Commission Streamlined Sales Tax Project. This project is an effort created by state governments with input from local governments and the private sector, to simplify and modernize sales and use tax administration. The project team is exploring ways to develop uniform definitions within tax bases across states, simplify audit and administrative procedures and research emerging technologies and how they can be used to help reduce the burdens of tax collection. We are excited to be on the steering committee of this project and feel that the project will help us achieve our goal of further simplifying tax policy in Missouri.

Yes, we have made great strides in simplifying our operations, improving customer service and increasing voluntary compliance. I hope some of you have benefited from the changes that the division has implemented. We still have a long way to go in improving our performance. Despite these challenges, I am confident that the changes we have made have laid a solid foundation and will allow us to continue changing and improving in the future.

Quentin Wilson
Quentin Wilson

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New Millennium—DOR Simplifies Tax Forms

by Rita Horstman, (573) 751-5855

The Missouri Department of Revenue celebrates the new millennium by bringing a new look to Missouri tax forms and publications. The department's mission to reduce the cost of compliance, increase voluntary compliance, increase customer satisfaction and achieve performance excellence is being accomplished by simplifying the tax filing process. The department's efforts to simplify include making current tax forms easier to understand, designing new tax forms to make the tax filing process less difficult for specific filing situations and adding new lines and instructions to forms to accommodate new tax laws.

The Missouri Department of Revenue made various improvements to individual tax forms and instructions. The improvements are a result of the department's commitment to deliver efficient tax filing products that are easier to understand. Each 2000 tax book has a new layout and design. The individual income tax book covers were redesigned to communicate form qualifications and help taxpayers select the easiest form for their filing situation. The Property Tax Credit Claim (PTC) form and book were totally redesigned as a result of the increase in qualified filers and their needs to have a less complicated process for claiming tax credits or refunds. The department decreased the length of the Form MO-PTC. The Form MO-PTC is now two (2) rather than four (4) pages. The department added pharmaceutical tax credit information, including a qualification chart and instructions for individuals who qualify for the pharmaceutical credit, but are not required to file an individual income tax return and are not eligible for a property tax credit. An alternative filing option for individuals who are unable to complete the Form MO-PTC will be in the book. Individuals may com-



plete the checklist provided in the PTC book and send it with copies of required documentation to the department for completion of their claim. Information about off-site taxpayer assistance locations is given in each book.

The department began an improvement effort on corporation tax forms and instructions. To simplify the tax filing process for corporations, the department added franchise tax filing information to both the S Corporation Income Tax Book and the Corporation Income Tax Book. If a corporation has assets in or apportioned to Missouri of \$1,000,000 or less, the corporation may check the box provided on Form MO-1120S or Form MO-1120 indicating no franchise tax liability is due. If the corporation does have assets in excess of \$1,000,000, Form MO-FT, Franchise Tax Schedule, must be completed and the tax due must be carried over to either Form MO-1120S or Form MO-1120.

The department developed a new tax filing product to make the tax filing process less difficult for specific filing situations. Missouri short forms provide the necessary tax filing information for specific filing situations. The department offers various short forms to eliminate confusion caused by tax laws and procedures that do not apply to the taxpayer. One new product is Form MO-1040P, Property Tax Credit/Pharmaceutical Tax Credit/Pension Exemption—Short Form. Form MO-1040P will simplify the tax filing process for over 200,000 Missourians. Form MO-1040P accommodates taxpayers who may claim the property tax credit and/or the pharmaceutical tax credit and/or the pension exemption. Form MO-1040P allows taxpayers to satisfy their tax filing requirement and claim the property tax credit without completing two forms!

Finally, the department made revisions to tax forms and instructions to accommodate new tax

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Missouri Department of Revenue

Roger Wilson, Governor; Quentin Wilson, Director of Revenue; Carol Russell Fischer, Director, Division of Taxation and Collection

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laws. A modification (subtraction) was added for Restitution for Victims of the Nazi Holocaust. A line was added to all individual forms for the long-term care insurance deduction. A line was added to Form MO-1040 for the self-employed health insurance deduction. The following miscellaneous tax credits were added to Form MO-TC: Mature Worker Child Care Credit, Shared Care Credit, Disabled Access Credit and the Rebuilding Communities and Neighborhood

Preservation Act Tax Credit. For more information about tax credits visit

<http://dor.state.mo.us/tax>

To obtain copies of the 2000 Missouri tax forms visit:

<http://dor.state.mo.us/tax/vendors/redesign.htm>

If you have suggestions, comments or questions regarding the 2000 Missouri tax forms, please e-mail taxsuggest@mail.dor.state.mo.us or you may call (573) 751-5855.

Multistate Tax Compact Advisory Committee Convened

by Carol Russell Fischer, Director, Division of Taxation and Collection, (573) 751-3470

The first meeting of the Multistate Tax Compact Advisory Committee (MTCAC) was held on September 12, 2000. The committee is authorized under Section 32.250 of the Revised Statutes of Missouri for the purpose of considering matters relating to recommendations and activities of the Multistate Tax Commission, of which Missouri is a member.

The meeting focused on the Streamlined Sales Tax Project (SSTP), recommendations of the project and possible model legislation relating to the project for the upcoming session. The goal of the SSTP is to design and implement a simplified sales tax collection system that can be used by traditional brick and mortar retailers, as

well as by remote sellers and vendors involved in electronic commerce as well as by traditional brick and mortar retailers. As a member of the seven-state steering committee for the SSTP, Missouri has taken an active role in the project. For more information about the SSTP, please read the article "Streamlined Sales Tax 2000" in this bulletin.

Members of the MTCAC are Chairman Quentin Wilson, Director of Revenue; Senator Harry Wiggins; Senator John Russell; Representative Joan Bray; Representative Daniel Hegeman; and Assistant Attorney General Alana Barragan-Scott.

NOTICES

2D Barcoding Expanded

The department has expanded the 2D barcoded individual income tax return processing to various software vendors. Please check <http://dor.state.mo.us/tax> for the most recent listing of approved software vendors. The department will give priority processing to 2D barcoded returns!

Individual Income Tax On-line Filing

The department offers WEBfile, a free Internet filing application for your state individual income tax return! This application is available to you if you are a one-income filer or a combined filer and you do not itemize your deductions. You will need your 10-digit Processing Identification Number (PIN) located on your label of your tax book to use this application. Visit <http://dor.state.mo.us/tax> to access the department's WEBfile application.

Streamlined Sales Tax 2000

by Gerry Andert, Field Audit, (314) 340-3799

In response to requests from the business community for simplification of the sales tax, and to incorporate the use of technology in the administration and collection of the tax, states formed the Streamlined Sales Tax Project (SSTP) in March 2000. The Missouri Department of Revenue is participating in the national streamlined sales tax project with 38 other states. The vision of the project is *"simplification and unity."* The project's mission is *"to develop measures to design, test, and implement a system that radically simplifies sales and use taxes."* A goal of the project is to design and implement a simplified sales tax collection system that can be used by traditional brick and mortar vendors and vendors involved in e-commerce. As a member of the seven-state steering committee Missouri has taken an active role in the project.

The project consists of four work groups addressing different aspects of simplification and uniformity. The four work groups are:

- Tax Base Uniformity and Exemption Administration**
- Tax Rates, Registration, Returns and Remittances**
- Sourcing and Other Simplifications**
- Technology, Audit, Privacy, and Paying for the System**

The Tax Base Group is reviewing exemption processing, including relaxing the good faith requirement and creating

an exemption database. The group is also looking at product coding systems and uniform definitions for terms such as: "tangible personal property," "retail sale" and "freight."

The Tax Rates Group is focused on rate issues, including jurisdiction issues and notice of rate changes. In addition, this group is exploring the ideas of single registration and simplified return filing for multiple states.

The Sourcing Group is proposing uniform treatment of bad debts, uniform rounding and uniform sourcing. Sourcing means establishing where the taxable incidence of a



transaction takes place.

The Technology and Audit Group is looking at ways to reduce the burden of sales/vendor's use tax compliance on retailers. Retailers would like to see advances that would simplify determining taxability, calculating tax and remitting tax. The group is discussing four possible models. The four models are:

1. Certified Service Provider (CSP) as Agent.
2. Retailer Using Certified Automated System
3. Proprietary System as a Certified Automated System

4. Traditional Collection Systems (status quo)

Retailers would have the option of choosing any of the four models. Model one presents the most dramatic changes to current systems. Under model one a retailer would choose an approved CSP. The retailer would be technologically linked to the CSP. As a retailer enters the details of a particular sale, the CSP would instantaneously determine taxability and actual tax. The CSP could collect the tax from the retailer and remit the tax to the state. The CSP would be compensated by the states for the services the CSP provides. Retailers using a CSP would not be audited by the states. The CSP is subject to audit and is liable for tax errors unless the errors were created by the state or the result of fraud by the retailer. Models two and three are less dramatic variations of model one.

Public participation has been encouraged throughout the life of the project. The SSTP maintains a web site with basic information at www.streamlinedsalestax.org. The web site invites public participation.

At the conclusion of the project, the states will be provided with guidance on proposed legislation to implement the statutory changes a streamlined sales tax system may require. This project has the potential to present significant advancements in tax simplification.

Free Business Tax Training Seminars

by Randy Sullens, (573) 751-3958

The Missouri Department of Revenue offers free business tax training seminars to familiarize new businesses with tax related issues. The seminars cover sales tax, withholding tax and business tax registration. Listed below are upcoming seminars:

CAPE GIRARDEAU AREA

June 13, 2001

1:00 p.m. to 3:00 p.m.

Cape Girardeau Tax Assistance Center
3102 Blattner Drive, Suite 102
Cape Girardeau, MO 63702-0909
Phone: (573) 290-5850

JOPLIN AREA

May 8 & July 10, 2001

9:00 a.m. to 11:00 a.m.

Joplin Tax Assistance Center
1110 East Seventh Street, Suite 400
Joplin, MO 64801-2286
Phone: (417) 629-3070

KANSAS CITY AREA

February 9 & May 11, 2001

2:00 p.m. to 4:00 p.m.

Kansas City Tax Assistance Center
615 East 13th Street, Room 127
Kansas City, MO 64106-4039
Phone: (816) 889-2944

JEFFERSON CITY AREA

December 13, 2000, January 10, April 25, May 9 & June 13, 2001

10:00 a.m. to 12:00 p.m.

Jefferson City Tax Assistance Center
2018 William Street
Jefferson City, MO 65105
Phone: (573) 751-7191

SPRINGFIELD AREA

December 8, 2000, March 9 & June 8, 2001

2:30 p.m. to 4:30 p.m.

Springfield Tax Assistance Center
149 Park Central Square, Room 313
Springfield, MO 65806-1386
Phone: (417) 895-6474

ST. JOSEPH AREA

March 22, 2001

1:00 p.m. to 3:00 p.m.

St. Joseph Tax Assistance Center
525 Jules, Room 314
St. Joseph, MO 64501-1900
Phone: (816) 387-2230

ST. LOUIS AREA

January 10 & May 9, 2001

2:00 p.m. to 4:00 p.m.

St. Louis Tax Assistance Center
2510 South Brentwood, Suite 300
Brentwood, MO 63144-2391
Phone: (314) 301-1660

COLUMBIA TAX ASSISTANCE CENTER

January 12, March 8 & May 10, 2001

9:30 a.m. to 11:30 a.m.

1500 Vandiver Drive, Room 113
Columbia, MO 65202
Phone: (573) 884-3814



Please contact one of the Tax Assistance Centers at the phone numbers listed above if you plan to attend a seminar.

Missouri E-File Programs Expand for 2001

by Jerry Wingate, Electronic Program Coordinator, (573) 522-4300



Electronic filing of tax returns (e-file) has become a common practice among Missourians. Missouri ranks second in the Midwest and in the top ten nationally in volume of individual income tax returns e-filed during the past tax season, with over 554,000 returns filed. The accuracy, convenience, and speed of e-

file resulted in a 49% growth from the previous year. Taxpayers can continue to expect even more options and products to make e-file easier than ever for the upcoming tax season.

Some exciting changes are in store for 2001! The Form MO-PTC, Property Tax Credit Claim can now be filed electronically with the Form MO-1040. This represents a huge step forward in making more taxpayers eligible for e-file. Also, in conjunction with the IRS, Missouri will participate in the Self-Select PIN

Project. The taxpayer selects a PIN number to be used in lieu of the Form 8453, signature document. Missouri will receive and store this PIN as the signature of the return, eliminating yet another paper document. In the next year, Missouri plans to continue to expand payment options, Web-based filing and business tax applications to meet the growing demand for electronic alternatives.

Individual Income Tax Web Filing Update

by James Foster, (573) 751-7791

Internet filing of income tax returns continues to gain popularity. Based upon the latest information from the Federation of Tax Administrators, three states have processed significant volumes of returns over the Internet. Pennsylvania and Wisconsin each processed over 57,000 Internet returns, while Colorado processed 94,000 returns.

The department has redesigned its WEBfile application for the upcoming tax season to be more customer friendly.

The application, which consists of a question and answer format, will be easy and fast. The testing of the application indicated that some returns could be completed in three minutes. Individuals will even be given the option to pay by credit card.

The department is working closely with the State Data Center (SDC), which provides the equipment and application software, to engineer a secure, robust application capable of pro-



tecting private information and providing around the clock access during peak filing times.

WEBfile may be used by customers filing basic returns. Basic returns include households with W-2 and 1099 income only, with either single or combined incomes and taking only the standard deduction. In the future, the Tax WEBfile system will be expanded to encompass all return filers and support ACH debit transactions.

Legislative Update

by Office of Legislation and Regulations, (573) 751-2110

A number of bills passed and were signed into law during the recent legislative session relating to taxation. The following is a synopsis of those bills.

HB 1238 — PROPERTY TAXES; PROPERTY USE AND IMPROVEMENT — This legislation makes various changes to property tax, both real and personal and allows Kansas City to impose a district sales tax for community improvement. Signed 06/27/00.

HB 1452 — NAZI HOLOCAUST RESTITUTION — For tax years beginning on or after January 1, 2000, any restitution received by victims of the Nazi holocaust is to be subtracted from federal adjusted gross income, to the extent the restitution is included in the taxpayer's federal adjusted gross income. Restitution includes any amount received as reparations for damages from Nazi persecution, any property or cash values in replacement of such property, any payments on insurance policies purchased prior to December 31, 1945, or any accumulated interest on such amounts received by the victims of the Nazi holocaust. This restitution is also excluded as income when determining the amount of, or eligibility for, any public assistance, benefit, entitlement or tax relief pursuant to any state or state-assisted program. To qualify for the subtraction or the exemption of income, the individual must be the actual victim, spouse, or descendant of the victim of Nazi persecution, and must be the first recipient of the restitution. Signed 06/08/00.

HB 1454 — ENVIRONMENTAL CONTROL AND TAX INCENTIVES — This legislation expands the present credit for sales tax on cotton hot dog casings to include those casings made from wood pulp. Signed 06/27/00.

HB 1659 — SALES TAXES FOR ECONOMIC DEVELOPMENT AND TOURISM — This legislation allows Kirksville to impose an economic development tax upon voter approval — authorizes Hickory, New Madrid and Stoddard Counties and the cities of Bloomfield,

Caruthersville, St. James and any fourth class city in New Madrid County to enact tourism taxes. It also allows Branson and Lake Ozark to use state personal liability collection statutes for their tourism taxes. Signed 06/27/00.

HB 1742 — BONDS FOR HIGHWAY CONSTRUCTION — This legislation permits the General Assembly to authorize the Highways and Transportation Commission to issue up to \$2 billion in bonds during fiscal years 2001 to 2006, with no more than \$500 million being issued in any one year. This bill also caps funds appropriated to certain state agencies at that level which was allowed in their 2001 budget. Signed 05/30/00.

SB 540 — STATE FAIR FEE FUND — Current law requires the Department of Revenue to deposit admission fees charged at the state fairgrounds to the credit of the State Fair Fee Account. This legislation creates the State Fair Fee Fund and requires the Department of Revenue to deposit the state fair admission fees into this new fund.

The State Fair Fee Fund may also receive gifts, grants, contributions or appropriations from other sources. The unexpended balance of this fund will not be transferred to the general revenue fund. Signed 06/27/00.

SB 577 — HAZARDOUS WASTE FUNDS — This legislation modifies several hazardous waste programs administered by the Department of Natural Resources and the Lead Abatement Program administered by the Department of Health.

Dry-Cleaning Cleanup Fund

This act establishes a Dry Cleaning Solvent Environmental Response Trust Fund to provide moneys for investigation, assessment and remediation of releases of solvents from dry cleaning facilities. The fund is administered by the Hazardous Waste Management Commission. Payments from the fund shall not be made until July 1, 2002.

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Operators of active facilities must register annually with the Department of Natural Resources and pay an annual registration surcharge to the fund. The surcharge is set at \$500 for small facilities, \$1,000 for medium facilities and \$1,500 for large facilities.

Sellers of dry-cleaning solvents must pay a solvent surcharge of \$8 per gallon for chlorinated solvents and 40 cents per gallon for nonchlorinated solvents, collected quarterly. All surcharges are subject to a late fee of 15% plus 10% per annum interest on unpaid balances. If the unobligated balance of the fund exceeds \$5 million, the facility registration and solvent surcharges are not collected until the fund balance falls below \$2 million. Violators of any provisions of this act are subject to civil penalties of up to \$500 per violation, payable to the fund.

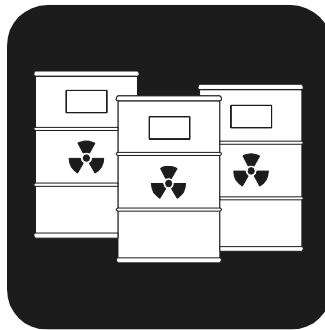
The act contains a sunset clause that will terminate the provisions of the act on August 28, 2007.

Hazardous Waste Management

The Department of Natural Resources is authorized to oversee corrective action for hazardous waste and the person performing the corrective action shall reimburse the department for all reasonable costs incurred. All hazardous waste generators shall pay an initial \$100 registration fee and a \$100 annual registration renewal fee, in addition to any other fees owed. The definitions of "hazardous substance" and "hazardous substance emergency" are revised to include components included in the federal Superfund Amendments and Reauthorization Act (SARA) of 1986.

Hazardous Waste Funds

Departmental expenditures for hazardous substance emergency response shall be made from the Hazardous Waste Fund. The department may include overhead costs for emergency response when determining reimbursement required for emergency response service.



Expenditures for voluntary cleanup oversight shall be made from the Hazardous Waste Remedial Fund.

Hazardous Waste Transporter Fees

The \$100 per vehicle limit is removed. The fee shall include an annual application fee plus a use fee based upon vehicle weight, mileage, or both. The fees shall be established so as to generate a total of \$600,000 per year. Railroads transporting hazardous substances shall pay an annual transporter fee of \$350. Revenues from transporter fees shall be placed in the Hazardous Waste Fund.

Resource Recovery Facilities

The act requires any person constructing, altering or operating a resource recovery facility to apply for certification from the department. The application shall include certain specified documentation and a fee of no more than \$500 for sites recovering only on-site waste and no more than \$1,000 for sites recovering off-site waste. The department shall review applications for compliance with the act. Fee revenues shall be placed in the Hazardous Waste Fund.

Hazardous Waste Generator and Land Disposal Fees

Sixty percent of the revenues from these fees shall be placed in the Hazardous Waste Remedial Fund and the remaining 40% shall be placed in the Hazardous Waste Fund. The sunset on the fees is extended from January 1, 2004 to January 1, 2005.

Hazardous Waste Category Tax

Sixty percent of the revenues from these fees shall be placed in the Hazardous Waste Remedial Fund and the remaining 40% shall be placed in the Hazardous Waste Fund. The sunset on the fees is extended from January 1, 2004 to January 1, 2005. The \$1.5 million revenue target for existing category taxes is removed and the existing rate structure is codified. The Category A tax cap (on waste placed in a disposal facility or stored 180 days or more on site) is raised from \$50,000 to \$80,000 and the Category B tax cap (on other waste) is raised from \$25,000 to \$40,000. The company-wide cap is also raised to

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\$80,000. A minimum fee of \$50 per year is established for all generators subject to the fees. The Director of the Department of Natural Resources shall annually request an appropriation of \$1 million from the General Revenue Fund for deposit in the Hazardous Waste Remedial Fund. The current category tax exemption for out-of-state fuel blenders is removed by the act. Category taxes on blended fuels shall be assessed and collected at the site where the fuel is burned as a substitute fuel, and fees on such fuel burning facilities shall not exceed a cap of \$80,000.

Provisions pertaining to hazardous waste management are similar to the provisions of SCS/SB 1064 from 2000.

Lead Abatement

The act authorizes the Department of Health to develop and implement a program of grants and loans to property owners to perform lead abatement projects. The department shall accept applications for implementation by local health authorities. The Missouri Lead Abatement Loan Fund is established and moneys in the fund shall be used to fund the program. Signed 06/27/00.

SB 719 — KANSAS AND MISSOURI METROPOLITAN CULTURAL DISTRICT

— This legislation changes the Kansas and Missouri Metropolitan Cultural District. It allows a sport facility to be included in the definition of activities but specifies that no new tax levy will be dedicated exclusively to sports or to a sports facility. Signed 05/30/00.

SB 724 — TOURISM TAXES — This legislation is similar to HB 1659 and allows Henry, Hickory, New Madrid, and Stoddard counties and the cities of Bethany, Bloomfield, Caruthersville, Marshall, Mexico, St. James and any fourth class city in New Madrid County to impose, with voter approval, tourism taxes. This legislation also allows Branson and Lake Ozark to use personal liability collection statutes for their tourism taxes. Signed 06/27/00.

SB 763 — MERCHANDISING PRACTICES REVOLVING FUND — This legislation regulates various telemarketing and electronic mail practices, with penalty provisions. It also

requires the Attorney General to provide the operation of a database to compile a list of telephone numbers of residential subscribers who object to receiving telephone solicitations. This database must be in operation no later than July 1, 2001. The attorney general may utilize the money appropriated from general revenue and from the Merchandising Practice Revolving Fund. Signed 06/27/00.

SB 881 — TRANSPORTATION SALES TAX IN KANSAS CITY AND ST. LOUIS —

This legislation removes the 6.5% limit of the moneys in the Kansas City Public Mass Transportation Fund that can be used for motor pool operations. Any or all moneys can now be used. It also removes the expiration date of December 31, 2001 for the St. Louis City and County Transportation Taxes. Signed 06/27/00.

SB 894 — PROPERTY TAXES — This legislation primarily deals with property taxes. This bill allows a district sales tax that is not within a boundary of a city or county. Signed 07/13/00.

SB 896 — TAX CREDIT AND EXEMPTION — This legislation allows fee offices to collect \$2.50 on notice of liens processed beginning August 28, 2000.

This legislation modifies the definition of a resident estate trust. Current law defines a resident estate trust as an estate of a decedent who at the time of death was domiciled in this state, a trust that was created by will of a decedent who at the time of death was domiciled in this state, and a trust that created by, or consisting of property of a person domiciled in this state on the date the trust became irrevocable. Language is added to this definition requiring at least one income beneficiary to be a resident of this state on the last day of the taxable year in order to be considered a resident estate trust.

This legislation exempts from state and local sales taxes purchases of bullion and investment coins. The definitions of bullion and investment coins are included in this bill.

This act authorizes a tax credit for banking institutions equal to one-sixtieth of one percent

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of its outstanding shares and surplus employed in this state if the outstanding shares and surplus exceed one million dollars. This tax credit can be taken against the bank tax. In the case that the bank tax has already been reduced to zero, the credit can be taken against corporate income tax. This tax credit begins with tax returns filed on or after January 1, 2001, including returns based on income in the year 2000 and after.

This legislation requires a notice of lien to contain the name and address, secured party, description of the motor vehicle or trailer, including vehicle identification number and any other information the Department of Revenue may prescribe. It allows the perfection of the lien to be effective if it substantially complies with the requirement of this section. It also requires future advances to be noted on the notice of lien. If there is only one lien the future advances should be noted on the certificate of ownership. These changes are also made to the notice of liens for outboard motors, motorboats, vessels or watercrafts. Signed 06/27/00.

SB 944 — SCHOOL SAFETY — This legislation deals with school safety, but does contain language that changes the funding mechanism for the satellite broadcast instruction grant pro-

gram of the Department of Elementary and Secondary Education. The bill changes the amount to a fixed amount of at least 4 million per year and eliminates the DOR from having to collect this info on sales tax returns. Signed 06/29/00.

SB 961 — WW II VETERANS RECOGNITION AWARD FUND — This legislation creates the World War II Veterans' Recognition Award Fund in the state treasury, which is to be administered by the Adjutant General. The fund shall consist of all gifts, donations and bequests to the fund. Interest and money earned on the fund will be credited to the fund. Money in the fund is to be used to promote the solicitation for designs, aid in the manufacture and the distribution of a medallion, medal and certificate, which is to be given to qualifying World War II veterans. When all medallions, medals and certificates have been distributed, the fund shall automatically be terminated and any remaining balance shall be transferred to the Veterans' Commission Capital Improvement Trust Fund.

This act also includes the POW/MIA flag as a flag that may be displayed at all state buildings. Signed 07/12/00.



State Holidays

State offices will be closed in observance of the following holidays.

December 25, 2000

Christmas Day

January 1, 2001

New Year's Day

January 8, 2001

Inauguration Day

January 15, 2001

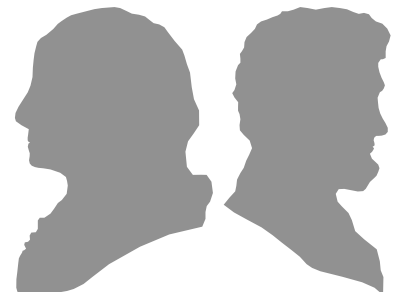
Martin Luther King Day

February 12, 2001

Lincoln's Birthday

February 19, 2001

Washington's Birthday



COURT CASES

by General Counsel's Office, (573) 751-2633

INCOME TAX

Cooper Industries, Inc. v. Director of Revenue, Case No. 98-2920 RI (AHC, 8/9/2000).

For 1991 and 1992, Cooper Industries, Inc. (Taxpayer) filed consolidated federal income tax returns but filed separate company Missouri returns. The Taxpayer merged with two subsidiaries. Prior to the merger, each subsidiary had no nexus with Missouri and each had incurred net operating losses (NOLs). The Taxpayer's federal returns and Missouri returns reflected NOLs attributable to the merged subsidiaries. The Director disallowed the NOLs from the liquidated subsidiaries and issued notices of deficiency for 1991 and 1992.

The director relied on Regulation 12 CSR 10-2.165(3), which provides: "Net operating loss from a year when the loss company was not subjected to taxation by Missouri may not be used to determine Missouri taxable income." The Administrative Hearing Commission (AHC) concluded that the regulation imposes a requirement that is found nowhere in the statutes and is inconsistent with Section 143.431.1's requirement that federal taxable income be the starting point for the determination of Missouri taxable income.

The AHC held that

Taxpayer's treatment of the NOL carryovers from the merged subsidiaries was proper for purposes of its 1991 and 1992 Missouri income tax returns.



INCOME TAX

Robert R. & Signa M. Hermann v. Director of Revenue, Case No. 98-33 11 RI (AHC, 7/11/2000).

Robert R. and Signa M. Hermann (Taxpayers) were shareholders in two corporations—Hermann Companies and Hermann Marketing—that elected to be S corporations for federal income tax purposes. Hermann Marketing filed state tax returns in California, New York, New Jersey and Connecticut for 1995 and 1996 and paid California corporation franchise tax, New York general business corporation franchise tax, New Jersey corporation business tax and Connecticut corporation business tax. For 1996, Hermann Companies elected to file a state tax return in Arkansas as a C corporation, as allowed by Arkansas law. On their 1995 and 1996 Missouri income tax returns, the Taxpayers claimed credits for Taxpayers' distributive share of taxes that Hermann Marketing paid to other states. On their 1996 Missouri tax return, the Taxpayers also claimed a credit for Taxpayers' distributive

share of taxes that Hermann Companies paid to Arkansas. The director denied the Taxpayers' claim for credit for taxes paid to other states and issued notices of deficiency to the Taxpayers for 1995 and 1996.

The Administrative Hearing Commission (AHC) determined that none of the state taxes at issue paid on Taxpayers' share of Hermann Marketing were income taxes and that the Taxpayers were not entitled to a credit for these taxes. It also determined that although the Arkansas tax was an income tax, the Taxpayers were not entitled to claim credit for the tax because Hermann Companies elected to file as a C corporation in Arkansas. The AHC also disagreed with the Taxpayers' argument that the Arkansas C corporation return qualified as a composite return on behalf of the S corporation shareholders, pursuant to Section 143.471.4, RSMo. The legislature intended that a composite return is a return filed on behalf of the S corporation shareholders but a C corporation return is filed on behalf of the corporation, not the shareholders. If the corporation is not taxed as an S corporation at the state level, then a pass-through credit should not be allowed to its shareholders for the tax paid to that state. Finally, the Taxpayers argued that disallowing the credit

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results in double taxation but the AHC found that any "double taxation" in this case is a result of Hermann Companies business decisions concerning its filing status in Arkansas.

The AHC concluded that the Taxpayers were not entitled to credits for any of the state taxes at issue and were liable for Missouri income tax and interest as assessed by the Department for 1995 and 1996.



SALES TAX

Wilson's Total Fitness Center, Inc., v. Director of Revenue, 98-2071 RV (AHC, 5/25/2000).

Wilson's Total Fitness, Inc., (Taxpayer) filed a protest payment claiming that its membership dues were not subject to sales tax. Taxpayer offered various activities including weight training, cardiovascular training and basketball, racquetball, swimming and tennis facilities. Taxpayer also facilitated competition by organizing basketball, racquetball and volleyball leagues. Taxpayer argued it was not a place of amusement pursuant to the Missouri Supreme Court's ruling in *Columbia Athletic Club v. Director of Revenue*, 961 S. W. 2d 806,808 (Mo. banc 1998) because its primary purpose was to improve health. The Director argued that the Taxpayer's membership dues were subject to tax pursuant to

section 144.020.1(2), RSMo, because Taxpayer held itself out to the public as a place of amusement. The Administrative Hearing Commission ruled that the Taxpayer's membership dues were subject to sales tax because the advertisements established that Taxpayer's primary purpose was to provide recreation.



SALES TAX

The Ovid Bell Press, Inc., v. Director of Revenue, 99-0925 RV (AHC, 7/28/2000).

Ovid Bell Press, Inc., (Taxpayer) is in the business of producing magazines and other printed material. Taxpayer filed a protest payment claiming that its purchases of film were not subject to sales and use tax. The film was used to produce negatives that were subsequently used to produce printing plates. Taxpayer argued it purchased the film for resale, or alternatively, that the film was an ingredient or component part of a negative which was produced for sale. The director argued that the Taxpayer's purchases were subject to tax because the Taxpayer used the film in a manufacturing process to make the printed material it was contractually obligated to produce. The director also argued that the Taxpayer's customers were purchasing services incidental to the production of the printed material. The Administrative Hearing Commission (AHC) ruled that Taxpayer's

purchases were subject to tax because Taxpayer did not provide any evidence that there was a sale of the film or negatives. Specifically, the AHC cited that the invoices of Taxpayer's sales did not indicate that the negatives or film were transferred to its customers.



INCOME TAX

Pershing W. Petterson v. Director of Revenue, No. 98-2413 RI (AHC, 7/18/2000).

Pershing W. Petterson (Taxpayer) was assessed Missouri income tax for the years 1989 through 1994. Taxpayer had not filed Missouri income tax returns or remitted any tax for those years. Taxpayer argued that Congress had no power to levy an income tax, that the income tax is voluntary, and that no inhabitants of the 50 states are required to file and pay federal income tax. The Administrative Hearing Commission (AHC) found that the courts have rejected all protests against federal income tax. Also, the AHC has no power to declare any provision of law invalid.

Taxpayer also claimed that he had placed all of his property into a trust and therefore had no income. The AHC found that Taxpayer had failed to provide sufficient information to show that the income received was taxed (or exempt) under the name of the trust and not attributable to Taxpayer.

The AHC upheld the assessments, including additions to tax.

Rules Take Effect

by Office of Legislation and Regulations, (573) 751-2110

The newly formed Sales and Use Tax Regulation Group (SURG) has made substantial progress in rewriting the sales and use tax regulations. The group is headed by Todd Iveson, Deputy General Counsel, and Stan Farmer, Deputy Director, Division of Taxation and Collection. As a result of SURG's work, the following new sales and use tax regulations have been proposed by the department.

12 CSR 10-102.100 — Bad Debts Credit or Refund. Sections 144.190 and 144.696, RSMo, provide for refund of overpayments. Section 144.220, RSMo, sets forth the law on the statute of limitations. This rule explains how to claim a credit or refund for tax paid on a sale that has become a bad debt.

Proposed rule published in the *Code of State Regulations*, effective 11/30/00.

12 CSR 10-103.600 — Sales of Tangible Personal Property and Services. Section 144.020.1, RSMo, provides that sales of tangible personal property and certain enumerated services are subject to tax. Section 144.010.1(3), RSMo, defines which charges are subject to tax when included in the sale price of tangible personal property. This rule explains which charges are subject to tax when a transaction involves the sale of a service or both tangible personal property and a nontaxable service.

Proposed rule will be published in the *Code of State Regulations*, effective 01/30/01.

12 CSR 10-104.020 — Sales and Use Tax Bonds. Section 144.087, RSMo, requires all applicants for a retail sales tax license and all licensees in default in filing a return and paying taxes when due to file a bond in an amount to be determined by the Director of Revenue. Section 144.625, RSMo, authorizes the department to require a bond from out-of-state vendors responsible for remitting vendor's use tax. This rule explains how to calculate and submit a bond, the different types of bonds that may be filed with the department and how to obtain a bond refund.

Proposed rule will be published in the *Code of State Regulations*, effective 12/30/00.

12 CSR 10-113.300 — Temporary Storage. Section 144.610, RSMo, imposes use tax on the sale of tangible personal property that is purchased for use, storage or consumption in this state. Section 144.620, RSMo, creates a presumption that tangible personal property sold for delivery in or transportation to Missouri is for use, storage or consumption in Missouri unless otherwise excluded. Sections 144.605. (10) and (13), RSMo, define the incidence of "storage" and "use". These sections provide an exclusion from use tax for property that is purchased for temporary storage in Missouri with the intent to subsequently use the property outside Missouri. This rule interprets this exclusion.

Proposed rule will be published in the *Code of State Regulations*, effective 12/30/00.

12 CSR 10-108.600 — Transportation Fares. Section 144.020.1(7), RSMo, imposes a tax on certain intrastate transportation fares. This rule explains the application of this section to transportation fares.

Proposed rule will be published in the *Code of State Regulations*, effective 12/30/00.

12 CSR 10-110.220 — Hotels and Motels. This rule explains the taxability of rooms, meals and drinks provided by hotels, motels and similar establishments where these items are regularly provided to the public. It also covers purchases made by these establishments. The applicable Sections are 144.010, 144.011, 144.020, 144.021, 144.030 and 144.080, RSMo.

Proposed rule will be published in the *Code of State Regulations*, effective 12/30/00.

12 CSR 10-112.010 — Contractors. This rule interprets Sections 144.010, 144.020, 144.030 and 144.062, RSMo, as they relate to taxation of sales and purchases by contractors.

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Proposed rule will be published in the *Code of State Regulations*, effective 12/30/00.

12 CSR 10-103.380 — Photographers, Photofinishers and Photoengravers.

Section

144.020.1(1), RSMo, imposes a tax on the retail sale of tangible personal property.

Section 144.030.2(2), RSMo, exempts materials that become a component part or ingredient of new personal property, which is intended to be sold ultimately at retail.



Sections 144.030.2(4) and (5), RSMo, exempts certain machinery, equipment, parts, materials, supplies and parts that are for replacement or are for a new or expanded plant. This rule explains the taxation rules for photographers, photofinishers and photoengravers and what elements must be met to qualify for these exemptions.

Proposed rule will be published in the *Code of State Regulations*, effective 12/30/00.

12 CSR 10-104.030 — Filing

Requirements. This rule provides general guidance for determining a taxpayer's filing frequency and the taxpayer's obligation to file a return and remit tax on the due date according to Sections 144.080, 144.081, 144.090, 144.100, 144.140, 144.160, 144.170 and 144.250, RSMo.

Proposed rule will be published in the *Code of State Regulations*, effective 12/30/00.

12 CSR 10-110.990 — Tax-Sales of Food. Section 144.014, RSMo, provides for a reduced tax rate for certain sales of food. This rule explains when the reduced rate applies.

Proposed rule will be published in the *Code of State Regulations*, effective 01/30/01.

12 CSR 10-103.560 — Accrual vs. Cash Basis of Accounting. Section 144.021, RSMo, imposes tax on a taxpayer's gross receipts. This rule explains when a taxpayer reports its gross

receipts depending upon whether the taxpayer is using the accrual or cash basis of reporting.

Proposed rule will be published in the *Code of State Regulations*, effective 01/30/01.

12 CSR 10-110.950 — Letters of Exemption Issued by the Department of Revenue. Chapter 144, RSMo, provides that certain organizations are exempt. This rule sets out the steps necessary to obtain a letter of exemption from the department.

Proposed rule will be published in the *Code of State Regulations*, effective 01/30/01.

12 CSR 10-103.555 — Determining Taxable Gross Receipts. Section 144.021, RSMo, imposes a tax on a seller's gross receipts. This rule provides guidance for reporting gross receipts.

Order of Rulemaking filed with the Joint Committee on Administrative Rules (JCAR) 11/08/00, currently in waiting period.

12 CSR 10-103.700 — Packaging and Shipping Materials. Section 144.010.1(10), RSMo, excludes from tax, purchases that are intended to be resold as tangible personal property. Section 144.030.2(2), RSMo, exempts materials that become a component part of new personal property. Section 144.011.1(10), RSMo, excludes from tax certain items of a non-reusable nature purchased by eating or food service establishments. This rule explains when purchases of packaging and shipping materials are not subject to tax.

Proposed rule comment period concluded on November 1, 2000, Order of Rulemaking to follow.

12 CSR 10-103.800 — Tax Computation. Section 144.020, RSMo, imposes a four percent sales tax. Section 144.610, RSMo, imposes the state's use tax at the same rate as the sales tax. The Missouri Constitution, Article IV, Section 43 (a) imposes a one-eighth of one percent tax for conservation purposes and Article IV, Section 47(a) imposes a one-tenth of one percent tax for soil and water conservation

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and for state parks. Missouri law also provides authority for counties, cities and other political subdivisions to enact local taxes. Sections 144.021, 144.080 and 144.285, RSMo, require sellers to collect the correct amount of tax. This rule explains how to determine the correct rate of tax.

Order of Rulemaking filed with JCAR 11/08/00, currently in waiting period.

12 CSR 10-110.200 — Ingredient or Component Part Exemption. Section 144.030.2(2), RSMo, exempts from taxation certain materials, goods, machinery and parts. This rule explains the requirements for this exemption.

Proposed rule published in the 10/02/00 *Missouri Register*, comment period concluded 11/01/00, Order of Rulemaking to follow.

SURG has also reviewed the existing regulations to determine which of them can be rescinded in light of the new regulations. Based on these recommendations, the following proposed rescissions were published in the *Code of State Regulations*, effective 10/30/00:

- 12 CSR 10-3.098 — **Drugs and Medicine**
- 12 CSR 10-3.516 — **Application for Refund/Credit — Amended Returns**
- 12 CSR 10-3.518 — **Claim Form**
- 12 CSR 10-3.520 — **Who Should Request Refund**
- 12 CSR 10-3.526 — **Refund Rather than Credit**
- 12 CSR 10-3.528 — **No Interest on Refund/Credit**
- 12 CSR 10-3.530 — **Unconstitutional Taxes**
- 12 CSR 10-3.852 — **Orthopedic and Prosthetic Devices, Insulin and Hearing Aids**
- 12 CSR 10-4.255 — **Who Should Request Refund**
- 12 CSR 10-4.260 — **Claim Form**
- 12 CSR 10-4.265 — **Refund Rather than Credit**
- 12 CSR 10-4.275 — **Application Required**

12 CSR 10-4.330 — **Application for Refund/Credit-Amended Returns**

12 CSR 10-5.080 — **Refund Procedures**

12 CSR 10-11.150 — **Refund Procedures**

Proposed rescissions published in the *Code of State Regulations*, effective 10/30/00.

The following proposed rescissions were published in the *Code of State Regulations*, effective 11/30/00.

12 CSR 10-4.145 — **Audit, No Credit**

12 CSR10-3.004 — **Isolated or Occasional Sales**

12 CSR 10-3.005 — **Isolated or Occasional Sales by Businesses**

12 CSR 10-3.006 — **Isolated or Occasional Sales vs. Doing Business — Examples**

12 CSR 10-3.007 — **Partial Liquidation of Trade or Business**

12 CSR 10-3.166 — **Seller of Boats**

12 CSR 10-3.172 — **Advertising Signs**

12 CSR 10-3.248 — **Sales to the United States Government**

12 CSR 10-3.260 — **Nonappropriated Activities of Military Services**

12 CSR 10-3.262 — **Government Suppliers and Contractors**

12 CSR 10-3.274 — **Farm Machinery and Equipment**

12 CSR 10-3.278 — **Agricultural Feed and Feed Additives**

12 CSR 10-3.282 — **Sales of Seed, Pesticides and Fertilizers**

12 CSR 10-3.284 — **Poultry Defined**

12 CSR 10-3.286 — **Livestock Defined**

12 CSR 10-3.290 — **Sellers of Poultry**

12 CSR 10-3.332 — **United States Government Suppliers**

12 CSR 10-3.336 — **Animals Purchased for Feeding or Breeding Purposes**

12 CSR 10-3.590 — **Advertising Business**

12 CSR 10-3.834 — **Titling and Sales Tax Treatment of Boats**

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12 CSR 10-3.850 — Veterinary Transactions

12 CSR 10-3.866 — Bulldozers for Agricultural Use

Proposed rescissions published in the *Code of State Regulations*, effective 11/30/00.

The following proposed rescissions — Orders of Rulemaking were filed with Joint Committee on Administrative Rules 11/08/00, and are currently in the waiting period.

12 CSR 10-3.131 — Change of State Sales Tax Rate

12 CSR 10-3.210 — Seller Must Charge Correct Rate

12 CSR 10-4.624 — Change of State Use Tax Rate

Proposed rescissions — Orders of Rulemaking filed with Joint Committee on Administrative Rules 11/08/00, currently in waiting period.

If you would like to receive a copy of any of the rules listed above, please contact the Secretary of State, Administrative Rules Division, P.O. Box 778, Jefferson City, MO 65102.

New Taxpayer Education Group Formed

by John Feldmann, (573) 751-3736

In keeping with the department's vision to reduce compliance costs and increase voluntary compliance and customer satisfaction, the department is establishing a Taxpayer Education Group. The mission of the group is to be proactive in addressing tax issues and problems with industries and taxpayer groups.

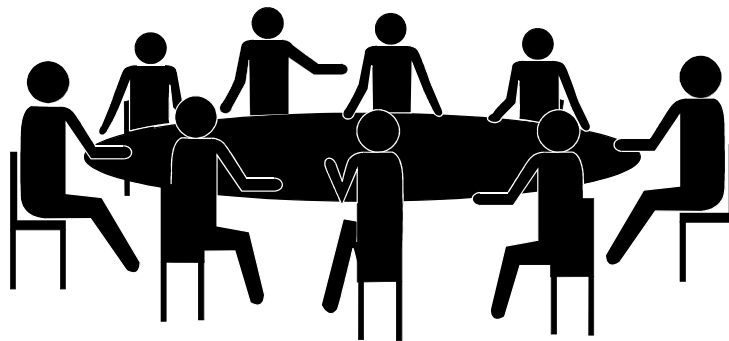
Through the work of several teams, we have identified areas for improvement in our taxpayer education efforts. We have already increased our efforts to update regulations, contact new business taxpayers and participate in tax seminars. Now we intend to address tax law changes with the industries and associations affected by those changes. This group will reach whole industries or associations at

one time to make the department's positions as clear as possible.

The group is contacting associations to offer assistance on tax matters. It will work with the department's legal, refund, regulation and audit areas to identify court cases, refund and audit issues, as well as regulation and law changes. It will attempt to identify the industries affected by these cases, issues and changes

and contact the relevant associations.

If you have suggestions, questions or comments, please contact Jack Wright at (573) 522-8602, or by email at Jack_Wright@mail.dor.state.mo.us.





MISSOURI DEPARTMENT OF REVENUE
DIVISION OF TAXATION AND COLLECTION
MISSOURI TAX FORM AND PUBLICATION ORDER

FORM
MO-33
(REV. 9-2000)

DLN

The Missouri Department of Revenue's Form MO-33 is designed to assist you in ordering Missouri state tax forms.

Any combination of ten (10) forms, with the exception of listed tax publications, may be ordered without charge. To offset shipping, handling and printing costs, orders exceeding a total of ten (10) forms must be accompanied by payment of \$10.00 per hundred forms (or fraction thereof) requested. Please use the price chart at the bottom of this page when figuring the amount due. Tax publications, which are sold at a set cost per unit, may also be ordered on the bottom of this page.

Orders will be filled and shipped in the order received, as soon as all requested forms and publications are available for distribution. Partial shipments, with the exception of the Missouri Package Mo-X, will not be made. Orders may be submitted at any time. We do, however, ask that you order your entire anticipated annual supply at one time. In order for our office to provide you with your forms and publications in a timely manner, please place your order prior to December 1, 2000. Forms will be shipped approximately January 1, 2001. If you place an order for 2000 tax forms, a 2001 order form will automatically be sent to you in September, 2001.

NOTE: ANY ORDER RECEIVED WITHOUT CORRECT PAYMENT, INCLUDING SALES TAX, WILL BE RETURNED TO YOU UNPROCESSED.

ELECTRONIC FORMS AND PUBLICATIONS

Forms by Fax: To access our "Forms-by-Fax" system call (573) 751-4800 from your fax machine handset. The "Forms-by-Fax" system will take you through the steps necessary to fax you a copy of the forms you need, if available. Only current year forms are maintained on the "Forms-by-Fax" system.

Internet/World Wide Web: The Missouri Department of Revenue has established a presence on the Internet with its Home Page on the World Wide Web. Individuals with access to the Internet can obtain informational materials and Missouri tax forms via our Home Page. The address for our Home Page is: <http://dor.state.mo.us/tax>

ADDRESS INFORMATION (PLEASE PRINT OR TYPE)

COMPANY NAME

ATTENTION (IF NEEDED)

PHONE NUMBER

STREET ADDRESS (STREET ADDRESS IS REQUIRED)

POST OFFICE BOX

CITY

STATE

ZIP CODE

COMPLETE THE REVERSE SIDE OF THIS FORM FIRST. THEN PROCEED BELOW.

TAX PUBLICATIONS (Note: Items E, G, I, K, M and N include the updates if complete law book is ordered.)

	PUBLICATION NAME	COST PER PUBLICATION	REVISION DATE	NUMBER REQUESTED	AMOUNT DUE
A	2000 Missouri tax forms and instructions on CD-ROM/Windows (includes tax law books, major IRS tax forms and major income tax forms from participating states that border Missouri)	\$ 12.00	2000		
B	Package Mo-X — Contains 2000 Missouri tax forms (DOR-2056)	\$ 8.50	2000		
C	<i>Tax Bulletin</i> Subscription — Published 3 times yearly	\$ 6.00	2001		
D	Package Mo-X/DOR <i>Tax Bulletin</i> subscription (Combination of B and C above)	\$ 14.00	2000		
E	Income Tax Law Book (DOR-1909) — Includes all updates	\$ 7.00	1998		
F	Income Tax Law Book Update (DOR-1909S)	\$ 2.00	2000		
G	Sales/Use Tax Law Book (DOR-1780) — Includes all updates	\$ 7.00	1998		
H	Sales/Use Tax Law Book Update (DOR-1780S)	\$ 2.00	2000		
I	Financial Institution Tax Law Book (DOR-2850) — Includes all updates	\$ 7.00	1998		
J	Financial Institution Tax Law Book Update (DOR-2850S)	\$ 2.00	2000		
K	Motor Fuel Tax Law Book (DOR-2269) — Includes all updates	\$ 7.00	1998		
L	Motor Fuel Tax Law Book Update (DOR-2269S)	\$ 2.00	1999		
M	Cigarette & Tobacco Products Tax Laws & Rules Book (DOR-1899) — Includes all updates	\$ 7.00	1998		
N	Estate Tax Law Book (DOR-2338) — Includes all updates	\$ 7.00	1998		
O	Form 2643 — Missouri Tax Registration Application (complete booklet) (1–3 Free)	\$ 3.50	1999		

TOTAL NUMBER OF PUBLICATIONS ORDERED AND TOTAL COST OF PUBLICATIONS

PRICE CALCULATIONS

- Total number of forms ordered (from back of form)
- Cost of forms ordered (see price chart on the right)
- Cost of publications ordered (from above)
- Subtotal (add Lines 2 and 3)
- Tax (multiply Line 4 by 6.225%)
- TOTAL DUE** (add Lines 4 and 5)

PRICE CHART

No. of Forms	Cost
0–10	Free
11–100	\$ 10.00
101–200	\$ 20.00
201–300	\$ 30.00
301–400	\$ 40.00
Each Additional 100	\$ 10.00

After completion, send this form with a check or money order made payable to "Director of Revenue" to: MISSOURI DEPARTMENT OF REVENUE, P.O. BOX 3022, JEFFERSON CITY, MO 65105-3022.

INDIVIDUAL INCOME TAX FORMS				CORPORATION INCOME TAX FORMS			
	NUMBER REQUESTED	FORM NUMBER	FORM DESCRIPTION		NUMBER REQUESTED	FORM NUMBER	FORM DESCRIPTION
A		MO-1040/MO-A	Individual Income Tax Return and Adjustments	A		MO-1120	Corporation Income/Franchise Tax Return
B		MO-1040A	Single/Married With One Income—Individual Income Tax Return—Short Form	B		MO-1120X	Amended Corporation Income Tax Return
C		MO-1040B	Married Filing Combined—Individual Income Tax Return—Short Form	C		MO-2220	Corporation Underpayment of Estimated Tax
D		MO-1040C	Part-Year Residents/Nonresidents/Active Duty Military/Residents With Other State Income—Individual Income Tax Return—Short Form	D		MO-1120ES	Declaration of Estimated Tax for Corporations
E		MO-1040P	Missouri Individual Income Tax Return and Property Tax Credit Claim/Pharmaceutical Tax Credit/ Pension Exemption—Short Form	E		MO-MS	Corporation Allocation and Apportionment of Income
F		MO-1040ES	Estimated Tax Declaration for Individuals	F		DOR-8821	Authorization for Release of Confidential Information
G		MO-60	Application for Extension of Time To File	G		DOR-472A	Application for Tax Credit/Refund
H		MO-CR	Credit for Income Taxes Paid to Other States	H		MO-C	Missouri Dividends Deductions
I		MO-NRI	Missouri Income Percentage	I		MO-1120S	S Corporation Income/Franchise Tax Return
J		MO-CRP	Certification of Rent Paid	J		MO-NRS	S Corporation Nonresident Form
K		MO-PTC	Property Tax Credit Claim/Pharmaceutical Tax Credit	K		MO-MSS	S Corporation Allocation and Apportionment Form
L		MO-1041	Fiduciary Income Tax Return	L		MO-TC	Miscellaneous Income Tax Credits
M		MO-NRF	Nonresident Fiduciary Form	M		DOR-2827	Power of Attorney
N		MO-1065	Partnership Return of Income	TOTAL CORPORATION INCOME TAX FORMS ORDERED			
O		MO-NRP	Nonresident Partnership Form				
P		MO-2210	Underpayment of Estimated Tax By Individuals	EMPLOYER'S WITHHOLDING TAX FORMS			
Q		DOR-1937	Request for Photocopy of Missouri Income Tax Return		NUMBER REQUESTED	FORM NUMBER	FORM DESCRIPTION
R		DOR-558	Military Information	A		MO-941	Employer's Report of Income Taxes Withheld
S		MO-8453	Individual Income Tax Declaration for Electronic Filing	B		MO-941X	Withholding Tax Overpayment Amended Report
		TOTAL INDIVIDUAL INCOME TAX FORMS ORDERED		C		MO-941U	Withholding Tax Underpayment Amended Report
SALES/USE TAX FORMS				D		MO-941P	Quarter-Monthly Payment of Income Taxes Withheld
	NUMBER REQUESTED	FORM NUMBER	FORM DESCRIPTION	E		MO-941F	Employer's Withholding Final Report
A		DOR-53-1	Sales Tax Return	F		MO-W3	Transmittal of Wage and Tax Statements
B		DOR-53U-1	Use Tax Return	G		MO-W4	Employee's Withholding Allowance Certificate
C		DOR-149	Sales/Use Tax Exemption Certificate	H		MO-96	Annual Summary and Transmittal of Form MO-99
D		DOR-472	Request for Sales/Use Tax Cash Bond Refund	I		MO-99 MISC	Information Return for Recipients of Miscellaneous Income
E		DOR-472-B	Application for Tax Refund/Credit	J		MO-1ENT	Income Tax Payments for Nonresident Entertainers
F		DOR-1746	Missouri Sales/Use Tax Exemption Application	K		MO-2ENT	Statement of Income Tax Payments for Nonresident Entertainers
		TOTAL SALES/USE TAX FORMS ORDERED		TOTAL EMPLOYER'S WITHHOLDING TAX FORMS ORDERED			
				REGISTRATION TAX FORMS			
				A		DOR-2643A	Missouri Tax Registration Application (Application Only)
				B		DOR-126	Registration Change Request
				TOTAL REGISTRATION TAX FORMS ORDERED			

Questions concerning the completion of this form, or form and publication orders in general, may be addressed by calling (573) 751-5337, Monday through Friday, 7:45 a.m. to 4:45 p.m. Orders for a total of ten (10) or less forms may also be made by calling (800) 877-6881. These publications are available upon request in alternative accessible formats, TDD use (800) 735-2966 or fax (573) 526-1881.

Letter Rulings

by General Counsel's Office, (573) 751-2633

The following is a list of the letter rulings issued during the period of June 14, 2000 to September 7, 2000.

LETTER #	DESCRIPTION
2120	Manufacturing — Mining Equipment
2152	Country Club Membership Dues
2245	Membership Dues
2265	Computer Equipment — Sales/Leaseback
2266	Licensing Medical Procedures & Leasing Associated Equipment
2285	Hotel Room Rental by Non-Profit Organization
2286	Manufacturing — Photo Finishing
2287	Shipping and Handling Charges
2288	Contractor — Sale of Carpet and Installation
2299	Equipment Leases Acquired by a Finance Company
2320	Manufacturing — Metal Handrailings
2326	Farm Equipment
2327	Sale of Products Shipped to Missouri
2329	Book covers and Folders Shipped Out of State
2330	S Corporation/Missouri Source Income for Non-resident Shareholders
2331	Sales by E-commerce Site Outside State of Missouri
2333	Tanning Services
2334	Fishing Charges
2347	Cellular Telephone Sales
2364	Railroad Ties, Ballast and Rails
2366	Purchasing Motor Vehicles to Lease
2388	Dual Operator — Construction Project for Exempt Entity
2389	Web Site Design Services
2391	Food Sales — Private Club
2392	Warranty Agreement
2410	Electrical Energy Used in Manufacturing
2411	Manufacturing — Air Tools
2423	Private Club Membership Dues
2424	Sales Price on Tickets
2429	Sales by Not-for-profit Historical Society
2430	Place of Amusement — Summer Camp
2454	Fees for Catering Services
2494	Ticket Sales on Behalf of an Exempt Entity
2520	Purchases by Fire Protection District
2521	Prosthetic Devices
2524	Sales of Produce at City Markets
2535	Sales Tax on Items Paid by Medicare and Medicaid
2536	Apportionment of Income
2550	Project Exemption Certificate
2587	Photography Services



Copies of the sanitized version of these letter rulings are available at a cost of \$1.10 plus sales tax of 6.225% each by writing to the Department of Revenue, General Counsel's Office, P.O. Box 475, Jefferson City, MO 65105-0475. Copies may also be obtained from the department's Internet web page <http://dor.state.mo.us/tax>.

Tax Calendar

Due Dates for January – April 2001

January

- 2 Motor Fuel Reports
- Motor Fuel Suppliers Reports
- 4 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 10 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 16 Declaration of Estimated Tax for Individuals
- Declaration of Estimated Tax for Corporations
- Cigarette Tax Credit Account & Return
- Other Tobacco Products Monthly Reports
- 18 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 22 Cigarette Tax Cash Accounts Return
- 25 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 30 Quarterly Insurance Tax Payments Due
- 31 Monthly Sales/Use Tax Returns
- Quarterly Sales/Use Tax Returns
- Annual Sales/Use Tax Returns
- Quarterly Withholding Returns
- Monthly Withholding Returns
- Annual Withholding Returns
- Motor Fuel Distributor Reports
- Tire Fee Due
- Other Tobacco Products Monthly Reports
- Other Tobacco Products Annual License
- 20 Monthly Sales/Use Tax Returns
- Cigarette Tax Cash Accounts Return
- 21 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 27 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 28 Motor Fuel Distributor Reports

March

- 1 MO-1040 for Farmers to Achieve Underpayment Status
- Quarterly Insurance Tax Payment
- 2 Motor Fuel Suppliers Reports
- 3 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 12 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 15 Monthly Withholding Return
- Cigarette Tax Credit Account & Return
- Other Tobacco Products Monthly Report
- Calendar Year Cooperatives with an Automatic Extension to file 1999
- Form MO-1120
- 20 Monthly Sales/Use Tax Return
- Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- Cigarette Tax Cash Accounts Return
- 27 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment

April

- 2 Motor Fuel Suppliers Reports
- Motor Fuel Distributor Reports

- 4 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 11 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 16 Estimated Tax Declarations for Individuals
- Estimated Tax Declarations for Calendar Year Corporations
- Form MO-1120 for Calendar Year Foreign Corporations
- Forms MO-1040, MO-1040A, MO-1040B, MO-1040C, MO-1040P, MO-PTC, MO-1041, MO-1065, MO-1120, MO-FTand MO-1120S
- Form MO-60 – Extension Request
- Cigarette Tax Credit Account & Return
- Financial Institutions Tax Return
- Other Tobacco Products Monthly Report
- Annual Consumer's Use Tax Return
- Franchise Tax Returns
- 18 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 19 Cigarette Tax Cash Accounts Return
- 25 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 30 Monthly Sales/Use Tax Returns
- Quarterly Sales/Use Tax Returns
- Quarter-Monthly Withholding Payment
- Monthly Withholding
- Motor Fuel Distributors Reports
- Tire Fee Due
- Quarterly Insurance Tax Payment

February

- 2 Motor Fuel Suppliers Reports
- 3 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 13 Quarter-Monthly Sales Tax
- Quarter-Monthly Withholding Payment
- 15 Monthly Withholding Returns
- Cigarette Tax Credit Account & Return

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